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ABSTRACT

Activities of the South Carolina Commission on Higher Education, roles of public colleges and universities, and information on program review and higher education finance are reviewed. The Commission's coordinating and governing activities are described, along with the missions of the public universities, senior colleges, and 2-year colleges in the state. The role of the Commission in reviewing proposals for new programs and existing degree programs is outlined, and brief information is provided on enrollment projections, prerequisites for freshman admission, facilities, and a quality incentive program for creative and unusual projects at institutions. The desegregation plan for the state's public colleges and universities is also discussed. Financial concerns are covered, including state appropriations, regional comparisons, escalating student fees, the appropriation formula, the budgetary process, and student financial aid. Procedures for the annual review of the state master plan are also outlined. In addition to four recommendations of the Commission, eight recent actions of the Commission and five studies currently undertaken by the Commission are identified. (SW)

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Summary of Review of the South Carolina Master Plan For Higher Education

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December 1983

South Carolina Commission on Higher Education
1429 Senate Street
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"In the higher education community, our most precious asset is public confidence. If we are to keep that confidence, we must maintain quality in the academic and other missions which the public has entrusted to our enterprise. If we fail to do so, the public will, rightfully, withhold its support. The challenge to realize the highest possible standards is never ending . . ."

J. W. PELTASON, *President*
American Council on Education
Washington, D. C.

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FOREWORD

The Commission on Higher Education, with the continuous support of the Governor and the General Assembly, highlights its recent actions in this review of the *Master Plan* and sets forth a future agenda to enhance the excellence and quality of higher education in South Carolina.

Progress

- The Commission has requested, and the Budget and Control Board has recommended, special funding for a quality incentive program for creative and unusual projects at the institutions based on merit and academic excellence.

- The Commission has adopted a set of prerequisites, effective in Fall 1988, for all freshmen admitted to baccalaureate degree programs in public senior institutions. These prerequisites have been adopted by all the public senior colleges and universities.

- The Commission has administered, monitored, and evaluated progress in the implementation of the State Higher Education Desegregation Plan to the satisfaction of State and federal authorities.

- The Commission proposed legislation for the coordination of the two medical schools in the State and is participating in the joint medical education board created by the Governor and the two institutions.

- The Commission has expanded its Appropriation Formula to include medical and dental education as well as other unique health programs not previously included.

- The Commission has completed a building quality survey in which the condition of existing facilities at the public colleges and universities, including technical colleges, was evaluated, guiding the State in the expenditure of funds for renovation and rehabilitation.

- The Commission directed the development of an articulation agreement to regularize the transfer to senior colleges of credits earned in college parallel associate degree programs in the technical colleges. The agreement will be implemented in 1984.

- The Commission began in 1980 a review of all existing academic degree programs, by major field of study. A total of 145 programs in nine different categories have been reviewed; four have been singled out for excellence, 17 have been substantially modified, and 11 have been eliminated.

Recommendations

- The Commission recommends to the General Assembly that the institutions be provided with full formula funding, in accordance with the position papers on the improvement of education in South Carolina adopted by the Commission in November and December 1983.

- Legislation is recommended to require that the Education Committees of the General Assembly concur as a requisite to overturn Commission decisions to terminate academic degree programs.

- Legislation is recommended to require that all requests for funds or authorization be submitted by the institutions to the Commission for its recommendations before being considered by the General Assembly.

• Legislation is recommended to provide that the governing board of each of the public institutions, except that of Clemson University, be composed of 15 members, 12 selected geographically and three at large.

Studies Underway

• The Commission currently has underway a study of projected enrollments at the colleges and universities and the potential effects of limiting enrollments at each of the public senior institutions.

• The Commission is making a study of student tuition and required fees in comparison with such student charges in other states. Students attending public colleges and universities in South Carolina are paying considerably higher tuition and required fees than those attending public institutions in other southeastern states.

• The Commission is reviewing institutional requests for additional funding which may be needed in the next year for computer equipment, for new or replacement equipment for research or instruction, and for deferred building maintenance.

• The Commission, in cooperation with the State Board for Technical and Comprehensive Education and with the University of South Carolina, is preparing a comparative cost study of programs leading to associate degrees in the two-year institutions.

• The Commission is studying the feasibility of a Statewide summer employment program for students and of a scholarship program for honors students.

I. INTRODUCTION

The South Carolina Commission on Higher Education was created by the 1967 South Carolina General Assembly as the State coordinating agency in higher education. The General Assembly in 1978 (in Act 410) restructured the Commission and mandated the development of a master plan for higher education which the new Commission immediately initiated upon its appointment in July 1978.

The work was accomplished by the Commission and staff through 23 task forces with members drawn from the colleges and universities, the Legislature, other State agencies, and the public. A comprehensive *Master Plan* dealing with such subjects as goals, institutional missions, finances, facilities, academic programs, and student and faculty matters was completed in December 1979, published in February 1980, and approved in principle by the General Assembly on April 1, 1980. It contained a number of recommendations and projected Commission actions.*

The review on which this Summary is based consists of a detailed discussion of selected major policy issues. It is consistent with the requirement in the legislation that the *Master Plan* be reviewed annually, and follows a 1982 progress report on the implementation of the Plan.

Many recent Commission actions have resulted, directly or indirectly, from recommendations in the *Master Plan.* As a point of departure, that Plan has been of major importance with respect to the agenda of the Commission on Higher Education since 1980. It will continue to be an important factor in the future work of the Commission.

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* *South Carolina Master Plan for Higher Education,* Columbia, December 1979, 375 pages.

Coordination and Governance

Recent activities of the Commission on Higher Education in coordinating public higher education in South Carolina reflect consistent efforts to make the best use of the human and material resources available, to improve excellence and quality, to increase efficiency, and to avoid or eliminate unnecessary duplication.

The Commission recommended in the *Master Plan* that no substantial changes be made in the legislation which prescribes a coordinating function for the Commission. It now recommends amending existing legislation, which now allows only one legislative committee (either the House Committee on Education and Public Works or the Senate Education Committee) to deny a Commission recommendation for program termination. The Commission supported legislation introduced in 1981 to seek greater equity by requiring that both Committees agree as a requisite for overturning a Commission decision to close a program, and *recommends that the proposed amendment to the appeals procedure be enacted.*

The Commission recommended in the *Master Plan* that the General Assembly require that public institutions submit all requests initially to the Commission and that the General Assembly not act on any institutional requests until the Commission has given its written endorsement or disapproval of the requests. This recommendation was partially implemented by legislation enacted by the 1980 General Assembly (Act 518) concerning capital improvement requests. While progress has been made, the Commission *reaffirms its 1979 recommendation that legislation be enacted* to require that all requests for funds or authorization be submitted by the institutions to the Commission for its recommendations before being considered by the General Assembly.

The Commission also *reaffirms* its earlier recommendation that all applications for support from federal or other sources submitted by public colleges and universities which require approval by the Governor's Office or the Budget and Control Board be referred to the Commission for review and comment to the appropriate agency.

The Commission also noted in the *Master Plan* that the members of the governing boards of the public colleges and universities were predominantly white males, and recommended that legislation be enacted to provide for the equitable representation of women and minorities on those boards. Legislation enacted by the 1983 General Assembly provided for the appointment or election of members of governing boards on the basis of merit without regard to race, creed, or gender and stipulated that selections be such that the boards are representative of all citizens of the State. As a result of the 1983 legislation, the Governor appointed eight minority members, five men and three women, to the six affected boards in July 1983 (one additional member to the governing board of each public senior college or university except Clemson University, because of a provision in the Thomas Clemson Will, and gubernatorial designees to the University of South Carolina and Medical University of South Carolina boards). In addition, the General Assembly elected a minority member to the Clemson Board of Trustees in February 1983.

The legislation enacted in 1983 was an important interim step; it does not ensure equitable representation of women and minorities on governing boards, however, as recommended in the *Master Plan.* Laws which restrict board membership based on race, gender, institutional affiliation, geographical residence, or political office serve to maintain present inequities. The Commission continues to support the position that legislation should be enacted to provide equitable representation of women and minorities on the governing boards of the public colleges and universities. The Commission therefore *recommends that legislation be enacted to provide that each governing board, except that of Clemson University, be composed of 15 members,* excluding *ex officio* members, to consist

of two members elected by the General Assembly from each Congressional District and three members at large appointed by the Governor with the approval of the Senate. The Commission *recommends that the Clemson board consist of 13 members,* seven being successors to those named in the Thomas Clemson Will, three members elected at large by the General Assembly, and three members appointed by the Governor with the approval of the Senate.

Roles and Missions of South Carolina Public Higher Education Institutions

The missions of the public universities, senior colleges, and two-year colleges in the State were set forth in the *Master Plan.*

Universities

Universities offer comprehensive degree programs at the baccalaureate level, a number and range of graduate and professional programs consistent with the specific mission of each, and diverse research programs and public service activities consistent with these graduate and professional programs. Admission standards at universities usually require that applicants have the preparation, motivation, and aptitude necessary to promise reasonable success in rigorous academic programs.

The specific missions of Clemson University, the Medical University of South Carolina, and the University of South Carolina-Columbia remain as described in the *Master Plan.*

An exception relates to the offering of vocational associate degree programs by USC-Columbia. The Commission in 1981 recommended that the University phase out these programs in order to concentrate its resources on its principal mission. The University appealed this recommendation, as permitted under the statutes, and was upheld in its appeal by the Committee on Education and Public Works of the House of Representatives. Subsequently, in 1982 USC began phasing out its associate degree programs in criminal justice, and in 1983 began phasing out its six remaining occupational associate degree programs (in institutional administration, office administration, commercial science, child development, retail management, and technical nursing).

In Fall 1982 the Commission, having been requested by the Budget and Control Board to reallocate a substantial sum in recommended State appropriations for 1983-84, solicited suggestions for accomplishing this task from a wide variety of sources. The following two suggestions, rejected by the Commission for the immediate purpose, were referred to its Committee on Academic Affairs for further study:

1) that doctoral programs of low productivity which are duplicated be terminated;
2) that graduate programs in engineering at USC-Columbia and in business, education, the humanities, and social sciences at Clemson be terminated.

The result of these special studies was Commission rejection in June 1983 of each of these interrelated suggestions, relying heavily on the mission statements for each institution contained in the 1979 *Master Plan* and on the Commission's conclusions following reviews of degree programs conducted since 1980.

The Commission continues to place major emphasis on the coordination of medical education. In furtherance of this goal and following review of the report of the out-of-state consultants who reviewed all graduate programs in health and medical education in 1981, the Commission established in 1982 a Blue Ribbon Committee on Medical Doctor Education. In April 1983 the Commission rejected the recommendations of the Blue

Ribbon Committee that the total enrollment of entering undergraduate medical students in the MUSC and USC medical schools be limited to 200, and that the Commission devise a plan for merger of the two medical schools.

The Commission instead proposed legislation which would create a statutory Joint Board of Medical Education to coordinate more closely the activities of the two schools. Legislative action on this bill was not completed prior to adjournment of the 1983 General Assembly. Subsequently, a voluntary agreement was entered into by the two institutions and the Office of the Governor, with later participation by the Commission, to establish a similar coordinating mechanism for medical education. If this mechanism does not prove to be effective, the Commission will urge the enactment of appropriate legislation.

Senior Colleges

Senior colleges, in South Carolina as elsewhere, are characterized by relatively comprehensive degree offerings at the baccalaureate level, and by the offering of some graduate programs below the doctoral level in fields where the institution has unusual competence and in which the local demand is high and cannot be more effectively met by other means. Organized programs of public service are common; organized programs of research are less so. Admission requirements for undergraduates at senior colleges are generally less stringent than those at universities but demand demonstration of adequate preparation, motivation, and aptitude.

Specific mission statements for each of the nine public senior colleges, conforming to the general outline given above, are contained in the *Master Plan.*

Only two explicit amendments have been made. The Commission in 1983 approved the offering by Lander College of its first graduate-level program — the M.Ed. in elementary education. In 1982 the Commission approved, for implementation in 1983, a doctoral program at South Carolina State College leading to the Ed.D. in educational administration, accompanied by the stipulation that the corresponding program at USC-Columbia be phased out concurrently. This change was first forecast in the State Higher Education Desegregation Plan, approved by the U. S. Office of Education in 1981. No other doctoral programs are planned for any of the senior colleges.

Two-Year Colleges

Two-year colleges offer programs up to and including the associate degree, as well as programs of shorter duration which may lead to certificates or diplomas designed for training in skills and crafts for immediate employment. Degree programs may be occupational in nature, designed to prepare students for employment, or may be academic, designed to prepare students for transfer to senior institutions in pursuit of baccalaureate degrees. Public service activities are encouraged, but organized research programs in these institutions are rare. Admission requirements are minimal, accompanied by the offering of remedial programs to assist underprepared students in developing the necessary skills to succeed in the programs of their choice.

Specific mission statements for the 16 technical colleges operated by the State Board for Technical and Comprehensive Education (SBTCE) and for the five two-year campuses of the University of South Carolina system are contained in the *Master Plan.*

The Commission in 1982 authorized the development of an articulation agreement to regularize the transfer to senior colleges of credits earned in college parallel associate degree programs (Associate in Arts and Associate in Science) in the technical colleges. The proposed agreement was approved by the Commission in 1983 for implementation in 1984.

Seven technical colleges (Chesterfield-Marlboro, Greenville, Midlands, Tri-County, Trident, Williamsburg, and York) are now authorized to offer associate degree programs

designed for transfer to senior colleges and universities. Consultants to the Commission in 1980 strongly recommended that these college parallel associate degree programs in technical colleges be retained. The Commission *concurs* in that recommendation. If these programs were eliminated, many of these students would enroll in senior colleges and universities, where costs to the student and State are higher.

Responding to a "cost-saving" suggestion made to it in Fall 1982, the Commission conducted a special study in 1982-83 of whether the two systems of two-year public institutions should be merged or, if not, whether certain institutions in one system should be merged with those of the other located in proximity. The Commission concluded that merger of the systems, or of specific institutions in the systems, should not be recommended at this time.

As an outgrowth of this study, however, the staff of the Commission, with the assistance of USC and SBTCE staffs, is analyzing actual expenditures in the past three fiscal years at each of the 21 public two-year institutions. After completion of this cost study in March 1984, the data will be reviewed to determine areas in which savings may be realized or cost effectiveness increased, including such matters as possible structural changes or consolidation of purchasing procedures, library acquisitions, student records, or institutional support.

Barring unforeseen circumstances, and pending the conclusion of current studies, the Commission *reaffirms* the specific mission statements contained in the *Master Plan* for each of the public institutions, with the specific amendments that have been noted.

Enrollment Projections

Enrollment projections contained in the *Master Plan* were that headcount enrollment in all institutions in the State would peak for the 1980's in 1982 and 1983 at about 141,000. Total headcount enrollment in Fall 1982 in all institutions in the State was reported at about 137,500, less than but within the estimated error range of the original projections. The projected headcount enrollment of undergraduates at senior colleges and universities, including branches, was close to the actual figure. Enrollment of graduate students and of students in technical colleges was less than projected earlier.

The Commission has requested the staff to complete a new set of enrollment projections, extending to 1990, prepared separately for each institution. This study, to be completed by May 1984, is to include an analysis of the projected utilization of existing facilities at each institution. The potential effects of limiting enrollments at each of the public senior institutions will be analyzed in the light of these projections.

Program Quality

The Commission on Higher Education regularly evaluates the quality of proposals for new programs and of existing degree programs. As proposed in the *Master Plan,* the Commission inaugurated a system of reviews of existing programs both to improve quality and to eliminate unnecessary duplication of programs in the institutions.

Review of New Programs

To help ensure that new programs will be of high quality, the Commission continues to require that institutions provide specific information on the justification of and the need for new programs, as well as details on curriculum, students, faculty, physical plant and equipment, library resources, and funding. These factors are examined carefully by the Commission before action is taken on a proposed program.

Review of Existing Programs

The purpose of the Commission's review of existing programs is threefold: to determine whether any apparent duplication of programs should be continued, to assist the institutions in identifying programs of special excellence, and to identify programs which may be in need of strengthening if they are to be continued.

Existing graduate programs in five major areas of study were reviewed in 1980-81. These fields — mathematics, physical sciences, engineering, biological sciences, and health and medical education — were selected for review in this initial phase because they are the five major areas in which duplication of doctoral programs occurs between or among the public universities. In addition, reviews of graduate and undergraduate programs in business and foreign languages were completed in 1982 and 1983, respectively.

Each review was conducted by a team of out-of-state consultants approved by the Commission from a list of nominees submitted by each of the institutions, from national organizations such as the Council of Graduate Schools in the United States, and from the appropriate professional societies.

Through June 30, 1983, the Commission has reviewed 145 degree programs, in addition to its annual review of all associate degree programs. Of these, 11 programs have been terminated, 17 have been formally modified, and four have been singled out for recognition because of their excellence.

In accordance with the provisions of the *Master Plan,* the Commission annually reviews all programs leading to the associate degree. During 1983, 250 active associate degree programs in 28 institutions were evaluated. In addition, 22 programs were suspended or cancelled and 15 remained in suspended status from the previous year.

Prerequisites for Freshman Admission

The year 1983 was marked by a resurgence of national interest in the improvement of quality of education at both the public school and postsecondary levels. The Commission in June 1983 adopted a set of prerequisites to be applicable to all freshmen at senior institutions in Fall 1988, which was adopted by October 1983 by all of the public senior colleges and universities.

Quality Incentives

The Commission has requested, and the Budget and Control Board has recommended, funds for 1984-85 to support a quality incentive program for creative and unusual projects at the institutions based on merit and academic excellence. If funded, grants will be awarded by the Commission to those institutions which submit ideas clearly designed to improve the quality of programs; grants in 1984-85 will be limited to projects related to faculty development.

Desegregation of Public Colleges and Universities

The U. S. Department of Education in January 1981 notified South Carolina and several other states that they were not in compliance with Title VI of the 1964 Civil Rights Act because there remained vestiges of their former *de jure* racially dual systems of public higher education. Governor Riley assigned to the Commission on Higher Education the responsibility for developing a positive response to the Department's request.

Under the policy guidance of a Blue Ribbon Steering Committee appointed by the Commission on Higher Education, and assisted by a Technical Committee of institutional and State agency representatives, the Commission formulated and submitted on March 9, 1981, the State Higher Education Desegregation Plan *(The South Carolina Plan for Equity*

and Equal Opportunity in Public Colleges and Universities, 1981). Subsequent to acceptance of the Plan by the U. S. Department of Education on July 17, 1981, the Commission was designated by the Governor with the responsibility for monitoring and evaluating progress in implementing the Plan.

The Plan provides goals, measures, and timetables for eliminating racial identifiability based on student, faculty, administrator, and board composition at public senior colleges and universities and at Denmark Technical College.

The Plan also includes programs for enhancing the traditionally black State institutions: South Carolina State College and Denmark Technical College. Annual benchmarks have been set for the five years of the Plan for most activities stipulated.

Regarding faculty and administrators, the State is committed in this Plan to increase the proportion of black faculty and administrators at traditionally white institutions at all levels in which blacks are underrepresented, based on the available labor supply. Specific annual benchmarks are included in the affirmative action plans of the individual institutions as approved by the South Carolina Human Affairs Commission, and are pending approval by the U. S. Department of Education. Goals to desegregate further the higher education governing boards are also included in the Plan.

The Commission in the *Master Plan* recommended that "legislation be enacted to provide for the equitable representation of women and minorities on all governing boards of the public postsecondary institutions." The U. S. Department of Education in 1981 cited "the racial identifiability of governing boards" as one of the reasons that the State was not in compliance with Title VI of the 1964 Civil Rights Act. Legislation enacted in 1983 resulted in the Governor appointing eight minority members (five men and three women) to the six affected governing boards. In addition, the General Assembly in February 1983 elected a minority member to the Clemson Board of Trustees. Although the legislation enacted by the 1983 General Assembly was an important interim step, it does not ensure "equitable representation of women and minorities on all governing boards" as recommended in the *Master Plan.* As noted earlier, the Commission *recommends that legislation be enacted that will provide equitable representation.*

Each year the Commission on Higher Education, with the assistance of the higher education institutions, evaluates the State's progress in achieving Plan objectives. A report of this evaluation is submitted annually to the Office for Civil Rights, U. S. Department of Education. The Second Annual Evaluation report was submitted in August 1983.

The Committee on Implementation of the Desegregation Plan, a standing committee of the Commission on Higher Education, is responsible for overseeing Plan implementation. This Committee is assessing the State's success thus far in implementing specific activities to meet the goals of the Plan, and is attempting to identify successful activities for replication at other institutions. The Committee will recommend the termination of activities not proven to be effective.

Finances

State Appropriations

In 1974-75, public higher education received 21.1% of general revenue; by 1983-84 this had declined to 16.6%. Higher education appropriations increased 91%, while inflation amounted to 112%. At the same time that higher education had fewer real dollars to spend, college and university enrollments increased 44%. During that period, appropriations for the public schools increased 130%, somewhat ahead of the pace of inflation, while their enrollments declined slightly by 1%.

More recently, from 1980-81 to 1983-84, State appropriations for higher education in South Carolina increased from $324.8 million to $364.5 million, or 12.0%. The proportion

of State revenue appropriated for higher education decreased during the same period from 19.0% to 17.2%

Similarly, appropriations for the public senior colleges and universities have increased from $261.5 million in 1980-81 to $289.4 million in 1983-84, a growth of 11.0%. During this period, their share of State revenue decreased from 15.3% to 13.6%, while State revenue increased from $1.709 billion to $2.124 billion, or 24.3%.

Appropriations for public education (K-12) have increased from $648.5 million to $807.6 million, or 25.0%, during this same period, reflecting an increase from 37.9% to 38.0% of State revenue. At the same time, enrollments in higher education have continued to show small annual increases while public school enrollments have continued to decline.

The relative decrease in support for higher education since 1980 is a matter of grave concern to the Commission and to the institutions of higher learning. Acting on its conviction that strong public school and higher education systems are both vital to the well-being of the citizens of the State and should be well supported, the Commission proposed in November 1983 that, if new revenue sources are identified by the General Assembly, sufficient funds be allocated to higher education to achieve full formula funding of each institution as recommended by the Commission. Given that basic level of funding, the Commission also proposed that a portion of such new revenue be allocated for the establishment of up to six school-college centers to provide assistance to public school teachers and administrators in continuing efforts to improve the quality of education in the State.

Regional Comparisons

The recent decrease in State support for higher education has had a significant negative impact on South Carolina's ranking with other states. South Carolina ranked third among the 14 states of the Southern Region in 1980-81 and ninth in 1982-83 in State appropriations per full-time-equivalent (FTE) student. The overall ranking of South Carolina in faculty salary averages among those states dropped from fifth to tenth in that two-year period.

Escalating Student Fees

Students attending public colleges and universities in South Carolina are paying considerably higher tuition and required fees than those attending public institutions in other southeastern states. In some instances, South Carolina students are paying two to three times more. Over the past seven years, student fees in South Carolina public colleges and universities have increased an average of 111.6%. This is a matter of concern to the Commission and to the colleges and universities. The principal reason for these escalating costs is the way the Appropriation Act has been written since 1977-78, requiring that when operations are augmented by funds other than General Fund Appropriations the agency must pay a proportionate share of employee salaries and fringe benefit costs from such other sources. In the case of the colleges and universities, the major source of other funds is student fees, representing about 20% of total revenue.

In the 1983-84 Appropriation Act, the General Assembly expressed concern over the increasing tuition and fees at the public colleges and universities and requested that the Commission conduct a study of the costs of higher education, both to the student and to the State, and compare these costs with those in other states in order to make recommendations to the General Assembly in January 1984. This study is currently underway.

Appropriation Formula

The Commission on Higher Education began the development of the Appropriation Formula in January 1971. Its purpose is to fund the State's public colleges and universities objectively, equitably, and adequately. The 1980-81 Appropriation Formula was completely revised to address more adequately the special needs of the different institutions.

In Spring 1983 the Commission staff, working with USC and MUSC staff, drafted a modified formula for medical and dental education, which was adopted by the Commission in July 1983. Beginning with the 1984-85 appropriation request, all public senior colleges and universities prepare their requests based on the Appropriation Formula. Even though the State Board for Technical and Comprehensive Education (SBTCE) uses a different formula, the Commission verifies SBTCE's appropriation request by using its credit hour data in the Commission's formula calculations. The SBTCE and Commission staffs have been charged with the development of a funding formula for technical institutions comparable to the Commission's Appropriation Formula, which will eliminate the necessity of having two separate formulas for use by the Commission and by SBTCE.

The Commission annually revises the Appropriation Formula and updates such features as faculty salary averages and institutional support percentages. The Commission is conducting an analysis of the cost of two-year education (the technical colleges and the USC two-year branch campuses), the results of which will be very important in the formula review process in 1984. The purpose of this study is also to determine the cost effectiveness of these institutions and segments and to make recommendations for improvement where necessary. A similar cost study is planned for the senior colleges and universities.

Budgetary Process

The budgetary requirements of the State Budget and Control Board, the General Assembly, and the Commission on Higher Education have been reconciled and the public colleges and universities and the State Board for Technical and Comprehensive Education have been using one format and one comprehensive set of instructions since 1980. The Budget and Control Board and the Commission are in agreement on procedural matters pertaining to basic budget allocations and relevant guidelines for public institutions of higher learning. For the past three years, the Budget and Control Board has allocated a lump sum to the Commission which has been reallocated, based on actual enrollments, to the institutions by application of the Commission's Appropriation Formula. As a result of this procedure, the Commission's earlier recommendation concerning the need for enrollment adjustment provisions in the annual General Appropriation Act is no longer relevant and is *rescinded.* The Commission *reaffirms* its recommendation that the State Auditor's Office reinstitute the former practice of verifying computation of FTE student enrollments.

Although the Commission recommended in the *Master Plan* a sharp reduction in the detail now required in the Budget and Control Board's line-item budgets, the trend of the General Assembly is to require additional reporting from State agencies rather than less. The Commission *reaffirms* its earlier recommendation. The Commission plans to initiate conferences with appropriate groups in State Government in an effort to improve this portion of the budgetary process through elimination of unnecessary duplicative reporting that complicates and delays the preparation of appropriation requests.

Student Financial Aid

The provision of adequate financial aid to students in South Carolina continues to be of concern. Escalating costs of higher education, in both the public and private sectors, have resulted in significantly higher charges to students and their parents in recent years.

In the face of these increases, the aid available to all students enrolled in institutions within the State appears to be decreasing. A survey conducted by the Commission in 1983 shows estimated student aid in the State of $168 million in 1982-83, compared to $176 million in 1981-82.

The two principal programs of direct financial aid provided by the State to students are the Tuition Grants and Guaranteed Loan Programs. Each of these serves a most useful purpose.

It was recommended in the *Master Plan* that consideration be given to the need for legislation to provide incentive scholarships for students in nursing and in allied health. Because students in these disciplines are eligible for the same kinds of financial aid as are available to all other undergraduate students in colleges and universities, the Commission *rescinds* those earlier recommendations. The recommendation that statutory authority for the State Grants Program be enacted, continuing in its present form and continuing its administration by the Commission, is *rescinded;* the program has been phased out by the General Assembly — reduced funding was provided in 1982-83 for this purpose and none was provided for the 1983-84 fiscal year. The recommendation that a separate State appropriation be made for the purpose of matching funds in the small federal "State Student Incentive Grant" program is also *rescinded.*

The Commission recommended in the *Master Plan* that the South Carolina Defense Scholarship Fund be discontinued. The Commission, influenced by more recent developments, now *rescinds* that recommendation. This Fund is authorized by statute. Its purpose is to provide loans made by institutions to students. New federal contributions are made each year directly to the institutions; the Defense Scholarship Fund provides for public institutions the required match of $1 (State or institutional) for each $9 of such new federal money. The Commission for years has administered this program for and at the request of the State Auditor. For the past two years, no funds were appropriated to the Commission for this program. In order for the public institutions to continue participation in this federally assisted program, the Commission has again requested funds for this purpose in 1984-85. There is increased urgency for this program in light of the high tuition and fees at our public colleges and universities.

The Commission *reaffirms* its recommendation in the *Master Plan* that it be charged with administering any newly created State financial aid programs. In the *Master Plan,* the Commission recommended that two new State-funded programs of student aid be established. One would create a Statewide work-study program, coordinating part-time job opportunities for students. The other would create an honors scholarship program, providing scholarships to be awarded to State residents based solely on academic merit. Neither recommendation has been pursued, in view of the financial difficulties that have faced the State over the past several years.

The staff in 1984, in consultation with others as appropriate, will develop detailed proposals for the proposed student employment and honors scholarship programs. Also during 1984, the staff will conduct a study of financial aid available to graduate students in the State.

Facilities

Before 1980, the institutions were not required by law to submit capital improvement requests to the Commission. The Budget and Control Board in 1971, however, had directed that requests from the public senior institutions be submitted through the Commission for comment. The Board reaffirmed this procedure in 1974.

As recommended in the *Master Plan,* the S. C. Code of Laws was amended in 1980 (in Act 518) to require that all public higher education institutions submit their requests for

12 capital improvements to the Commission for its review and recommendations to the Budget and Control Board. The Commission *reaffirms its recommendation that the legislation be further amended* to require that all requests to lease space for residential or other uses be submitted initially to the Commission for its review and transmitted to the Budget and Control Board with appropriate recommendations.

As a result of the *Master Plan,* the Commission completed a *Building Quality Survey* in 1981 in which the condition of existing facilities at public colleges and universities, including the technical colleges, was evaluated. Of the 333 buildings included in the survey, 232 (69.7%) were *not* rated as satisfactory. The estimated cost of rehabilitating these 232 buildings was $41.7 million. The Commission recommended that all facilities be brought up to standard before new facilities are built. The Commission, also in 1981, developed a *Model Energy Conservation Plan* for the higher education institutions in South Carolina which received a Governor's Energy Achievement Award.

The colleges and universities in 1982 submitted 24 rehabilitation projects, estimated to cost more than $33 million, for consideration for funding in 1983 (none were funded). It was concluded that the current condition of existing facilities demonstrated the need for policy and procedures to address campus rehabilitation requirements on a continuing basis.

The Commission adopted a policy and procedures to address campus rehabilitation needs in June 1983 and recommended that they also be approved by the Budget and Control Board and by the Joint Bond Review Committee. The Commission further recommended that each institution's rehabilitation reserve funds be placed in an account where interest would accrue to the institution. The Budget and Control Board in October 1983 approved in concept a Statewide policy concerning capital improvements that encompassed in general terms the policy adopted by the Commission. Final action by the Budget and Control Board is pending.

III. PROCEDURE FOR ANNUAL REVIEW OF THE *MASTER PLAN*

The *Master Plan* contains detailed procedures for annually reviewing the Plan. Thus far, it has not been feasible to apply these procedures to the Plan as a whole. Substantial progress nevertheless has been made in implementing the Plan's recommendations.

Based on the experience of the Commission and staff since the publication of the *Master Plan,* the Commission has modified and revised the planning cycle. The following procedures will preserve the original intent and purpose while simplifying the procedure. The Commission will annually:

1) select the specific generic area(s) for review and evaluation (e.g., enrollments, graduate education, libraries, facilities, or cost analysis of programs);
2) publicize major issues through the press or other media, as appropriate;
3) seek the opinions and suggestions of the Governor and legislative leaders, the colleges and universities, the State Department of Education, and other agencies and constituencies with respect to specific issues, as appropriate;
4) maintain on-going contact with the institutions, the Office of the Governor, appropriate Committees of the General Assembly, and other State agencies as part of the planning process; and
5) appoint advisory committees for specific tasks as necessary.

As a culmination of activities such as those enumerated above, the staff will draft the annual review for consideration and appropriate action by the Commission by December of each year.

These procedures supersede the annual planning cycle as set forth in the *Master Plan.*